City of Foster City

Investment Policy for the 457 Deferred Compensation and 401(a) Plans

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1. Introduction

1.1. Background

The City of Foster City ("Plan Sponsor") offers to all eligible fulltime and covered part-time employees a Deferred Compensation Program ("Program") through a 457 Plan and a 401(a) Plan ("Plan"). The Plan complies with the Internal Revenue Code section 457, section 401(a), and other applicable laws and regulations.

The Plan is a long-term retirement savings vehicle that is intended as a source of retirement income for participants. The investment options available from the Plan will cover a broad range of investment risks and rewards appropriate for these kinds of retirement savings programs. Participants bear the risks and rewards of investment returns that result from the investment options that they select. The investment options (funds) made available will be determined by the Defined Contribution Advisory Committee and may be changed as a result of periodic reviews.

The mix of investment options appropriate for a participant depends on the combination of a number of factors, including, among others, age, current income, length of time to retirement (or other expected use of the account), tolerance for investment risk, income replacement objectives, and a participant's other assets. To permit participants to establish different investment strategies, the Plan may offer a variety of investment categories, which have varying return and volatility characteristics. It is the responsibility of each participant to evaluate the investment options and to select an appropriate mix. A participant should consider, among others, the following risks:

Volatility:	The risk of significant decreases in account value (including the loss of principal) over relatively short periods of time.
Accumulation:	The risk of not accumulating sufficient assets to retire.
Understanding:	The risk of investing for the wrong reasons.
Diversification:	The risk of concentrating investments and suffering large losses from a single investment category or similar categories that do not perform well.
Time Horizon:	The risk of investing too conservatively in early years and too aggressively when nearing retirement.

A risk/reward structure is basic to investments. Generally, those vehicles offering the greatest return over time also carry the highest risk or volatility of return. The inherent conflict between volatility and long-range accumulation can be lessened through diversification among asset classes. To provide participants the opportunity to select risk/reward strategies and to diversify, the Plan will offer a number of investment alternatives.

1.2. Purpose

The purpose of this Investment Policy ("Policy") is to provide documentation of the procedures demonstrating "care, skill, prudence and diligence" that will be used by the Defined Contribution Advisory Committee in the selection and monitoring of investment options for the Plan.

The Policy intends to establish prudent procedures in the selection and monitoring of investments to allow for participant direction of individual investment selections from a diversified list of investment options.

It is also the intent of this Policy to provide a meaningful framework for the investment management of the Plan assets and that the Policy will not be overly restrictive given the changing economic, business and investment market conditions. It is intended that the objectives be sufficiently specific to be meaningful, but flexible enough to be practical.

1.3. Plan Objectives

The goal of the Program is to provide all employees with a comprehensive, prudently managed tax-deferred program. The Plan objectives are the following:

- The Plan is established for the exclusive benefit of the participants and their beneficiaries.
- The Plan is a vehicle through which employees may accumulate assets to provide for a portion of their retirement needs.
- The Plan seeks to provide a broad range of investment options recognizing the differing financial objectives, risk and return tolerance and diverse demographics of participants.
- The Plan will seek to provide suitable investment options, considering that participants each have different investment horizons and standards of acceptable risk and returns.
- The Plan, through the Defined Contribution Advisory Committee, will obtain investment options at a reasonable cost and control overall investment related service costs.
- The Plan, through the Defined Contribution Advisory Committee, will establish investment objectives and standards for the investment options (funds) offered to assure that the assets are managed in accordance with the Policy.
- The Plan, through the Defined Contribution Advisory Committee, will establish formal criteria to monitor and evaluate the performance results achieved by the investment fund managers.
- The Plan, through the Defined Contribution Advisory Committee, will provide a formal process for reviewing and modifying the Investment Policy.
- The Plan, through the Defined Contribution Advisory Committee, shall meet the fiduciary responsibility of the Deferred Compensation Program.

2. Duties and Responsibilities

2.1. Defined Contribution Advisory Committee

The general duties and responsibilities of the Defined Contribution Advisory Committee (the "Committee") for Plan related matters are as follows:

- Reviews the Policy at least annually and may recommend amendments to the Policy at any time to reflect changes in the procedures or to incorporate requirements based on new regulations. The Committee will present any recommended changes to the Assistant City Manager, Finance Director or Human Resources Director for approval and to the City Council as necessary.
- Coordinates activities related to selection of a Plan Trustee for record keeping and administrative services for the Plan, including preparation and issuance of requests for proposals, proposal evaluation criteria, evaluation of proposals and presents the recommendation of a Plan Trustee to the Assistant City Manager, Finance Director or Human Resources Director and to the City Council as necessary.
- Selects and approves the addition/deletion of investment options, conducts due diligence and monitors investment performance and fees.
- Selects qualified investment managers and/or funds, which provide a range of risk and return characteristics.
- Selects a qualified Investment Consultant to assist with selection, evaluation and monitoring of investment options and other plan administrative issues as needed.
- Monitors and evaluates changes in legislation and regulations to ensure compliance regarding investment matters.
- Ensures the communication of the fund performance to all participants by the Plan Trustee.

2.2. Assistant City Manager, Finance Director or Human Resources Director

The general duties and responsibilities of the Assistant City Manager, Finance Director or Human Resources Director ("Plan Administrator") for Plan related matters are as follows:

- Signs agreements, contracts, plan and trust or custodial documents on behalf of the Plan Sponsor related to the Deferred Compensation Program.
- Reviews the recommendations of the Committee and takes action as appropriate.

3. Description of Investment Options

3.1. Money Market Option

A Money Market Option invests in cash equivalent securities with maturities of less than one year. The average quality of the portfolio must be A1, P1, or AAA. The objective of the fund is to protect underlying principal value and produce a reasonable level of current income. While the volatility risk of this option is the lowest, accumulation risk is the highest. A money market fund may not be necessary if the stable value/fixed interest options do not have restrictions on interfund transfers from the stable value fund/fixed interest option to other noncompeting funds in the portfolio.

3.2. Stable Value / Fixed Interest Option

A Stable Value / Fixed Interest Option invests in book value investments which may include General Account annuity products, Separate Account Annuity products, Guaranteed Investment Contracts (GICs), Bank Investment Contracts (BICs), "Synthetic" GIC arrangements and money market instruments, and may invest in intermediate and long term fixed income securities. Investments may either be made directly or through pooled arrangements. The long-term objective of the fund is to provide higher income than a money market fund while still protecting principal.

3.3. Bond Option

A Bond Option invests in cash equivalents and marketable fixed income securities. The portfolio may have an average duration that is short, intermediate or long-term. The average portfolio quality may range from AAA to B (or a comparable rating) or better by Moody's, Standard & Poor's or Fitch's ratings services. Sector and issue concentration guidelines will be dictated by the stated policies of the investment fund manager(s) and may include non-U.S. issuers.

The investment objective is to provide longer-term preservation of capital while earning a high level of current income. However, principal values may fluctuate over time, primarily in response to changes in interest rates.

High Yield Bond and Strategic Bond Options may also be considered for inclusion in the plan. While generally offering higher current income than a Bond Option, these Options invest in lower quality securities and carry additional risks such as default risk and liquidity risk.

3.4. Balanced Option

A Balanced Option invests in several asset classes (typically common stocks, bonds and money market instruments). Investment returns come from both current income and capital changes. Professional investment fund managers make the asset allocation decisions, and the option can be used by participants who do not wish to self-manage their asset mix. The Balanced Option is expected to produce higher longer-term returns than the Bond Fund Option, although volatility may be greater.

Asset allocation, quality and sector concentration guidelines will be dictated by the stated policies of the investment fund manager or prospectus of a fund. The investment objective is to provide a diversified investment return of current income and capital appreciation.

3.5. Large Capitalization[1] (Large Cap) Option

A Large Capitalization* (Large Cap) Option invests in those companies that comprise the top 70% of the overall stock market capitalization. This asset class may contain value funds that invest in stocks of companies the investment fund manager believes the stock market undervalues and has the potential for market appreciation. This asset class may also contain growth funds that invest in stocks of companies the fund manager believes will grow at a faster rate thán its peers or the corresponding market. This asset class may include funds that are blended to include both value and growth stocks. Stocks in this asset class may provide additional investment growth through the reinvestment of dividends.

3.6. Medium Capitalization[1]* (Mid Cap) Option

A Medium Capitalization* (Mid Cap) Option invests in companies that comprise the next 20% of the overall stock market. This asset class may contain value funds that invest in stocks of companies the investment fund manager believes the stock market undervalues and has the potential for market appreciation. This asset class may also contain growth funds that invest in stocks of companies the fund manager believes will grow at a faster rate than its peers or the corresponding market. This asset class may include funds that are blended to include both value and growth stocks. Mid-sized companies may be less able to weather economic shifts or other adverse developments than larger, more established companies.

3.7. Small Capitalization[1] (Small Cap) Option

A Small Capitalization* (Small Cap) Option invests in companies that comprise the remaining 10% of the overall stock market capitalization. This asset class may contain value funds that invest in stocks of companies the investment fund manager believes the stock market undervalues and has the potential for market appreciation. This asset class may also contain growth funds that invests in stocks of companies the fund manager believes will grow at a faster rate than its peers or the corresponding market. This asset class may include funds that are blended to include both value and growth stocks. Small-sized companies may be less able to weather economic shifts or other adverse developments than larger, more established companies.

3.8. International / Global Equity Option

An International / Global Equity Option invest primarily in common stock of established non-U.S. issuers. This fund can be expected to be subject to risk factors not prevalent in domestic markets, including currency risk. The Global Equity Option (aka World Equity Option) invests in common stocks of established non-U.S. issuers as well as domestic common stocks as deemed appropriate by

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[1] *Market capitalization is determined by multiplying the total number of outstanding shares of stock by the market price of the stock. Market capitalization changes with the changes in the price of the stock and increasing or decreasing the outstanding number of shares. Morningstar® will be used to determine actual capitalization levels. To maintain consistency the 70%, 20%, 10% are used to determine equity asset classes.

the investment fund managers. These funds are appropriate for a portion of a participant's account for which additional risk is acceptable in exchange for diversification from options tied to domestic markets. Currency fluctuation will contribute to increased return volatility.

3.9. Index Fund Option

An Index Fund Option invests identically or nearly identically to the market index whose return it seeks to duplicate. The objective of an index fund is to provide market diversification and a market average rate of return reflective of the market segment represented by a given index, e.g., the Standard & Poor's 500.

3.10. Asset Allocation Funds (Model Portfolios)

Asset Allocation Funds (Model Portfolios) offer an allocation of investments, principally stocks, bonds, and cash or cash equivalents that are considered appropriate for a given stage or age of an individual's investment life cycle. An aggressive asset allocation fund or an age targeted fund with a longer timeframe will have greater weighting in stocks than a moderate or conservative asset allocation fund or an age targeted fund with a shorter timeframe. A conservative asset allocation fund will be more heavily weighted toward current income and protection of capital. The objective of an asset allocation fund is to provide a composite rate of return from current income and capital appreciation that is appropriate for a given stage of an individual's investment life cycle.

Asset allocation, credit quality, duration and sector concentration guidelines will be dictated by the stated policies of the investment fund manager or prospectus of the fund.

3.11. Self-Directed Brokerage Account Option

Self-Directed Brokerage Account ("SDBA") Option will offer a wide array of stocks, bonds and mutual funds that can be accessed by Participants. Participants electing the SDBA will be required to sign a letter that acknowledges that they are sufficiently sophisticated and knowledgeable about investment matters that they are capable of making, managing and controlling their own investment choice. Funds in the SDBA are not subject to the due diligence of the core fund offerings and maintain additional transaction charges and fees.

4. Fund Selection Criteria

The Committee will select at least one investment fund within each investment option by first determining that the fund meets the criteria as set below. Refer to Section 6, Investment Option Details, for the recommended number of investment funds per investment option.

4.1. Minimum Operating Criteria

To be considered, an investment fund should:

- Have net assets of at least $100 million. The intent is to restrict selection of mutual funds to the size appropriate for the potential cash flow to be generated by the Plan. If, however, this restriction reduces the potential pool of funds inappropriately, this criterion may be reduced to broaden selection. Total assets of all share classes can be considered if under the same investment fund manager.

To be considered, an investment fund must:

- Have been in operation for a minimum period of five years prior to selection.
- Eliminate front end loads and surrender charges.
- Be compatible with the Plan Trustee's record keeping accounting and system practices.
- Be open to new deposits, including defined contribution plans.
- Guarantee transactions based on the mutual fund price at the close of business that day if the transaction is received in proper order before the NYSE closes. If the transaction is received after the close of the NYSE, the transaction must be processed after the close of business the next day.

4.2. Administrative Criteria

The following criteria will be used to determine the suitability of an investment fund.

- Investment fund manager's tenure of least three years is preferred.
- All fees, commissions and charges will be disclosed to the Plan Administrator, the Committee and all participants.
- The fund has an expense ratio that is competitive in relationship to the same investment category.
- The investment fund provider must be able to provide communication and reporting services as needed to monitor the performance criteria.

4.3. Short-List Criteria

The following criteria will be used to narrow the number of suitable investment funds to a short- list.

- Returns should have outperformed the average of their investment categories for the most recent three-year and five-year annualized periods. The fund's investment category placement over the last three years will be reviewed and funds that remain in the same investment category will be preferred. The investment category established by the Fund Family for the previous six quarters will determine the category placement of a fund under the Plan. In the event that a fund has not had consistency of placement within an investment category over the six quarters prior to selection, it shall be placed in the category most recently determined by the Fund Family. It is recognized that the placement of a fund within its category may be a consideration in its selection. For example, if a fund has consistently, over a period of time, moved toward the outside ranges of its category, it may not be an appropriate candidate for selection since it may have a high probability of changing categories.

The list of funds will be ranked. The highest ranking funds will be considered finalists.

4.4. Finalist Criteria

The following criteria will be used to narrow the number of investment funds to those that may be selected for inclusion in the Plan.

- Returns should meet or exceed those of the appropriate benchmark indices, or when deemed appropriate, the performance of their category average. Refer to Section 6, Investment Option Details, for the appropriate benchmark indices.
- Consistent performance return in each year of the one-year, three-year and five-year periods will be preferred. Consistent performance includes moderate Standard Deviation (as determined by a comparison with the average standard deviation for that investment category).
- A consistent Risk and Return profile as determined by Morningstar.
- Under extenuating circumstances such as change in investment manager or to take into account the length of any extraordinary economic conditions, shorter and longer term performance information may be considered.

4.5. Selection

Based on the information collected during the previous evaluations, the remaining investment funds will be reviewed and funds may be eliminated based on:

- Inconsistent performance history
- Excessive movement within investment category
- Qualitative factors such as excessive account turnover or an inappropriate investment style
- Inability to satisfy the Minimum Operational Criteria
- Fund's assets are so large that the portfolio manager lacks the flexibility to buy and sell securities in a timely and efficient manner

The Committee will then select from the remaining funds the investment funds to be included in the Plan.

5. Monitoring Process

The Committee will conduct quarterly reviews to assess the continuing compliance of all of the Plan's investment funds. The Committee may perform more frequent monitoring as necessary.

The quarterly review will be used to determine the following:

- Whether performance remains within the standards established by the Policy.
- Whether the investment fund manager's investment category has remained consistent.
- What changes in benchmarks and objectives have been made and the impact of these changes on future results and performance monitoring criteria.
- Changes in the regulatory requirements that may necessitate changes in the monitoring criteria.

For supported actively managed asset classes, an investment manager "score card" will be maintained and documented (see addendum) to substantiate acceptable levels of manager performance and appropriate style characteristics. Based upon objective criteria, derived from Modern Portfolio Theory concepts, each fund will receive a score reflecting its overall performance.

Asset Allocation funds and/or accounts (risk-based or age-based) will be scored and monitored using the previously described guidelines. Unlike other funds which are monitored and scored individually, these funds should be evaluated as a group. Due to the unique importance of these professionally managed and diversified vehicles for participants in the Plan, funds or accounts failing to achieve criteria standards will be carefully reviewed before removal from the Plan (in the absence of a reasonable alternative). In addition, funds with short time history should be evaluated qualitatively.

Target-Date (age-based) funds or accounts will have strategies that allow the funds or accounts to grow more conservative over time until a certain retirement date or life expectancy date. This roll down process is commonly referred to as a "glide path". The glide path associated with a set of target-date funds should be reviewed to make sure it is appropriate, and continues to be appropriate, for the Plan and Plan's participants.

Investments which are not supported do not generate a scorecard. Investments where no score is applied due to specialty focus, short time history or other unique circumstances should be reviewed using a qualitative framework.

The foregoing investment monitoring criteria shall not, under any circumstances, be taken as definitive, conclusive, or controlling for removal, termination, or continuation of an investment option. All determinations should be made by the Committee, in accordance with the Plan objectives, taking into consideration all relevant facts and circumstances.

5.1. Watch List

If a fund fails to meet the criteria standards, as determined by its score or other factors, it will be placed on a "watch list." (In the event a fund receives a score which is below that of "watch list" status, or experiences extraordinary circumstances which may render it inappropriate to maintain, it may be considered for removal at the earliest administratively reasonable date.) If this fund continues to remain on "watch list" for the following three quarters, or four of the following seven quarters, the fund should be considered for possible removal.

In addition, an investment fund may be placed on the Watch List if any of the following conditions occur:

- Change of investment fund manager
- Change of sub-advisor
- Significant change in ownership or control
- Significant or prolonged change in investment style or drift

- Substantive change in portfolio turnover that significantly exceeds the fund's history
- Any violation of SEC rules or regulations or breach of fiduciary duty
- Operational difficulties concerning fund transfers or pricing
- Excessive costs or trading practices
- Negligible use by participants

5.2. Retention Criteria

To be removed from the Watch List and retained, the investment fund must:

- Meet the criteria standards for four consecutive quarters, then it may be removed from the watch list.

Investment funds that do not satisfy the retention criteria will be considered for replacement.

5.3. Fund Replacement

When it is determined that an investment fund is no longer appropriate for the Plan, a replacement fund search may be initiated by the Committee in accordance with Section 4, Fund Selection Criteria.

Regarding the Plan assets already deposited with the deselected investment fund, each participant will have a transition period of a length set by the Committee, but not less than 30 days in which he or she may transfer their assets to the replacement fund, or a fund option of the participant's choice.

In the event a participant does not voluntarily select a replacement investment fund(s) by the end of the transition period, the Committee will direct the Plan Trustee to transfer the current balance of the deselected investment fund to the most appropriate existing and/or replacement investment fund within the investment category that has the most superior historical return over the past five (5) years. In the event the Plan Trustee does not offer another investment in the same investment category, the deselected fund will be transferred to the stable value fund.

6. Investment Option Details

Investment Option	Recommended Number of Funds	Benchmark	Peer Group
Money Market Option	0 to 1	N/A	N/A
Stable Value Option	1 to 2	90 Day T-Bills	Barclays Aggregate Index
Bond Option	1 to 3	Barclays Aggregate Bond Index	U.S. Core Fixed Income
Balanced Option	0 to 1		
Large Cap Option	3 to 5	Standard & Poor's 500 Index Russell 1000 Growth	U.S. Large Company Equity U.S. Large Growth

		Index Russell 1000 Value Index	U.S. Large Value
Mid Cap Option	2 to 3	Russell Mid-cap Index Russell Mid-cap Growth Index Russell Mid-cap Value Index	U.S. Mid Company Equity U.S. Mid Growth U.S. Mid Value
Small Cap Option	2 to 3	Russell 2000 Index Russell 2000 Growth Index Russell 2000 Value Index	U.S. Small Company Equity U.S. Small Growth U.S. Small Value
International / Global Equity	2 to 4	MSCI All Country World Index Free ex-U.S. MSCI All Country World Index Free ex-U.S. Growth MSCI All Country World Index Free ex-U.S. Value	Non-U.S. Equity
Index Funds	1 to 5	Target Index	N/A
Asset Allocation Funds	3 to 9	Morningstar Best Fit	Morningstar Best Fit
Total	15 to 36		

7. Self Directed Brokerage Account Details

The Self Directed Brokerage account (SDBA) option, if selected by plan participants, will have the following restrictions and limitations:

- Participation will be limited to transfer of assets to the SDBA up to 50% of their Deferred Compensation retirement account balance.
- A participant must have a minimum account balance of $5,000 in their core account to open a SDBA.
- The minimum account transfer amount is $2,500.
- There is a $50 annual fee to participants to have an SDBA.
- Other investment or transaction fees and expenses for the SDBA may be charged by the SDBA provider.
- Prohibited investments including equity securities valued less than $5 per share, tax-free securities, options, commodities, margin purchases, limited partnerships, repurchase agreements, reverse repos and annuities or life insurance.

Note: Self Directed Brokerage Accounts (SDBA) are not monitored by the Deferred Compensation Committee. Participants who invest in SDBAs are responsible for the selection, management and control of these investments.

8. Blackout Period

The Plan will give Plan Participants a minimum of 30-days advance notice of "blackout periods" affecting their rights to direct investments, take loans (if available) or obtain distributions. Blackout periods may occur when plans change record-keepers, record-keeping systems or investment options. Individual Participants will receive a blackout notice that contains, among other things:

- The reasons for the blackout period;
- A description of the rights that will be suspended during the blackout period;
- The start and end dates of the blackout period; and
- A statement advising Participants to evaluate their current investments based on their inability to direct or diversify assets during the blackout period.

9. Investment Communication to Participants

Information about each investment option will be given or made available to Plan participants to help them to make informed investment choices. The Plan, through the provider, shall provide at least quarterly statements of fund performance to each participant.

Upon request, copies of investment fund prospectuses or similar equivalent information will be provided to participants as well as such other information as the provider has available such as a list of underlying investments for a given fund.

10. Review

It is the intention of the City to review this document annually and make necessary amendments.

If at any time a fund investment manager feels that these policy standards cannot be met, or that the guidelines constrict management, the City should be notified in writing so that a recommendation for changing the policy, if deemed appropriate, can be made by the City.

Ann E. Rifma

Chair, Defined Contribution Advisory Committee
City of Foster City

12-18-14

Date

Scorecard System Methodology™

The Scorecard System methodology incorporates both quantitative and qualitative factors in evaluating fund managers and their investment strategies. The Scorecard System is built around pass/fail criteria, on a scale of 0 to 10 (with 10 being the best). Although the Scorecard System has the ability to measure Active, Passive and Asset Allocation investing strategies, it will be used to evaluate only Actively Managed Asset classes in the Plan over a five year time period.

Eighty percent of the fund's score is quantitative (made up of eight unique factors), incorporating modern portfolio theory statistics, quadratic optimization analysis, and peer group rankings (among a few of the quantitative factors). The other 20% of the score is qualitative, taking into account things such as manager tenure, the fund's expense ratio relative to the average fund expense ratio in that asset class category, and the fund's strength of statistics (statistical significance). Other criteria that may be considered in the qualitative score includes the viability of the firm managing the assets, management or personnel issues at the firm, and/or whether there has been a change in direction of the fund's stated investment strategy. The following pages detail the specific factors for evaluating the active investing strategy.

Combined, these factors are a way of measuring the relative performance, characteristics, behavior and overall appropriateness of a fund for inclusion into the Plan as an investment option. General fund guidelines are shown in the "Scorecard Point System" table below. The Scorecard Point System is meant to be used in conjunction with the Policy to help identify which funds need to be discussed as "watch-list" or removal candidates; which funds continue to meet some minimum standards and continue to be appropriate; and/or which new top-ranked funds should be included in the Plan.

Scorecard Point System	
Good:	9-10 Points
Acceptable:	7-8 Points
Watch List:	5-6 Points
Poor:	0-4 Points

Scorecard System Methodology

Active Strategies

Active strategies are investment strategies where the fund manager is trying to add value and out-perform the market averages (for that style of investing). Typically, these investment strategies have higher associated costs due to the active involvement in the portfolio management process by the fund manager(s). For this type of investment strategy, the **Scorecard** System is trying to identify those managers who can add value on a consistent basis within their own style of investing.

Weightings	Active Strategies	Maximum Points
Style Factors 30%	**Style Analysis:** Returns-based analysis to determine the style characteristics of a fund over a period of time. Fund passes if it reflects the appropriate style characteristics. Style analysis helps ensure proper diversification in the plan.	1
	Style Drift: Returns-based analysis to determine the behavior of the fund/manager over multiple (rolling) time periods. Fund passes if the fund exhibits a consistent style pattern. Style consistency is desired so that funds can be effectively monitored within their designated asset class.	1
	R-Squared: Measures the percentage of a fund's returns that are explained by the benchmark. Fund passes with an R-squared greater than 80%. This statistic measures whether the benchmark used in the analysis is appropriate.	1
Risk/Return Factors 30%	**Risk/Return:** Fund passes if its risk is less than the benchmark or its return is greater than the benchmark. Favorable risk/return characteristics are desired.	1
	Up/Down Capture Analysis: Measures the behavior of a fund in up and down markets. Fund passes with an up capture greater than its down capture. This analysis measures the relative value by the manager in up and down markets.	1
	Information Ratio: Measures a fund's relative risk and return. Fund passes if ratio is > 0. This statistic measures the value added above the benchmark, adjusted for risk.	1
Peer Group Rankings	**Returns Peer Group Ranking:** Fund passes if its median rank is above the 50th percentile.	1

20%	**Information Ratio Peer Group Ranking:** Fund passes if its median rank is above the 50th percentile. This ranking ranks risk adjusted excess return.	1
Qualitative Factors 20%	Two points may be awarded based on qualitative characteristics of the fund. Primary considerations are given to manager tenure, fund expenses and strength of statistics, however, other significant factors may be considered. It is important to take into account non-quantitative factors which may impact future performance.	2
	Total	10